

## **Part I**

### **REGULATIONS ON CURRENCY EXCHANGE**

#### Terms used in the Regulations

**Currency** – a state currency unit.

**Currency Exchange Transaction (Currency Exchange)** – a purchase and/ or sale of cash or non-cash against other currency according to the currency exchange rate, determined by the Bank, performed by the Bank and the Customer.

**Value Date** – a Bank Working Day, when the Bank is to transfer an amount of money in the relevant currency, determined in the Currency Exchange Transaction, to the Account, indicated by the Customer, or the Customer's funds on the Customer's Account acquire actual value and become available for the Customer.

**TODAY Transaction** – a Currency Exchange Transaction with the Value Date on the date of conclusion of the Transaction according to the currency exchange rate, which is determined at the moment of concluding the Transaction.

**TOMORROW Transaction (TOM)** – a Currency Exchange Transaction with Value Date on the next Bank Working Day after the day of conclusion of the Transaction according to the currency exchange rate, which is determined at the moment of conclusion of the Transaction.

**SPOT Transaction** – a Currency Exchange Transaction with the Value Date at the second Bank Working Day starting from the day of conclusion of the Transaction according to the currency exchange rate, determined as of the moment of conclusion of the Transaction.

**SWAP Transaction** – a Currency Exchange Transaction, which consists of two opposite Currency Exchange Transactions with the same currencies, but different Value Dates according to the currency exchange rates, determined at the moment of conclusion of the Transaction.

**FORWARD Transaction** – a Currency Exchange Transaction with Value Date at a certain day in future, but not earlier than the third Bank Working Day starting from the day of concluding the Transaction according to the currency exchange rate, determined at the moment of conclusion of the Transaction.

21.1. Regulations on Currency exchange are applicable to the relations between the Customer and the Bank, if the Customer has applied for or wishes to perform cash or non-cash Currency Exchange Transaction in the Bank.

21.2. The Bank performs Currency Exchange Transactions in Latvian lats and other currency.

21.3. The Currency Exchange Transaction may be performed according to the determined general exchange rate, effective at the moment of conclusion of the Transaction or upon the Customer's prior agreement with the Bank according to a special currency exchange rate. In case the Customer and the Bank have agreed upon a special currency exchange rate, it shall be indicated in the currency exchange application, otherwise the Currency Exchange Transaction is performed according to a general currency exchange rate, determined by the Bank.

21.4. Currency Exchange Transaction according to a special currency exchange rate is considered concluded, when the Customer orally agrees with the Bank upon the purchased and sold currency, amounts, currency exchange rate and Value Date. The Customer consents that these conversations are recorded.

21.5. The Customer shall submit the currency exchange application to the Bank not later than until the end of the Bank working day on the day of conclusion of the Currency Exchange Transaction. Further, when the Customer has fulfilled his Currency Exchange Transaction liabilities, i.e. has timely submitted to the Bank a currency exchange application and has guaranteed a sufficient Account balance or has paid sufficient cash amount to the Bank's cash desk, the Bank fulfils its Currency Exchange Transaction liabilities according to the currency exchange application and in compliance with the present Regulations and the Bank's Fees.

21.6. In case the Customer has not fulfilled his Currency Exchange Transaction liabilities, specified in Paragraph 21.5, the Currency Exchange Transaction is considered and the Customer shall indemnify all the expenses and losses to the Bank, which have arisen for the Bank as a result of such violation of the fulfilment of the Customer's liabilities. Such expenses and losses are written off from the Customer's Account on a no contestation basis, and their volume is calculated as a difference between currency exchange rate, upon which the Bank and the Customer have agreed by coordinating the Currency Exchange Transaction, and according to the market currency exchange rate, according to which the Bank performs the Currency Exchange Transaction, opposite to the aforementioned.

#### Regulations on TOMORROW and SPOT Transactions

21.7. To conclude TOMORROW or SPOT Transaction the Customer coordinates the relevant Transaction's currency exchange rate, volume and Value Date, as well as submits to the Bank the relevant currency exchange application, specifying the conditions, coordinated with the Bank.

21.8. TOMORROW and SPOT Transactions are executed according to the currency exchange rate, upon which the Customer and the Bank agreed at the moment of concluding the relevant Transaction and the Customer has submitted a currency exchange application.

21.9. TOMORROW and the SPOT transactions are executed on the Value Date, specified in the currency exchange application.

21.10. To ensure the fulfilment of liabilities of TOMORROW and/ or SPOT Transaction by the Customer, the Bank is entitled to request and the Customer is obliged to place a deposit at the Bank at the amount not less than 10 % (ten per cent) from the total of the relevant TOMORROW and/ or SPOT Transaction amount, which serves as a financial the guarantee with the transfer of property rights to the Bank. The Bank determines the deposit amount. The last day of guarantee deposit term shall be the last date of complete fulfilment of all liabilities of the concluded Transaction. The Customer is not entitled to request a pre-term payment of guarantee deposit from the Bank.

21.11. On the day of execution of TOMORROW and SPOT Transaction the Customer provides the necessary balance amount in the relevant currency on his Account with the Bank in compliance with the regulations of the concluded Transaction. If the Customer has not fulfilled the mentioned liabilities, the Bank executes the Currency Exchange Transaction, opposite to the Customer's concluded TOMORROW and SPOT Transaction according to the market currency exchange rate and indemnifies the losses, if such have arisen, from the guarantee amount (Paragraph 21.10.), if such exists and/ or from the Customer's funds on the Account.

#### Regulations on SWAP and FORWARD Transactions

21.12. To execute SWAP and FORWARD Transactions the Customer shall conclude a separate agreement with the Bank in written.

21.13. To conclude SWAP or FORWARD Transaction the Customer shall coordinate the relevant Transaction's currency exchange rate, amount and Value Date, as well as submits the relevant currency exchange application to the Bank, specifying the conditions, coordinated with the Bank.

21.14. To ensure the fulfilment of liabilities of the Customer regarding SWAP and/ or FORWARD Transaction the Customer is obliged to place a deposit at the Bank at the amount of 1% to 10 % from the total of the relevant SWAP and/ or FORWARD Transaction amount, which serves as a financial guarantee with the transfer of property rights to the Bank. The Bank determines the deposit amount prior to every particular SWAP and/ or FORWARD Transaction. The last day of guarantee deposit term shall be the last date of complete fulfilment of all liabilities of the concluded Transaction. The Customer is not entitled to request a pre-term payment of guarantee deposit from the Bank.

21.15. On the day of execution of SWAP and/ or FORWARD the Customer provides the necessary balance amount in the relevant currency on his Account with the Bank in compliance with the regulations of the concluded Transaction. If the Customer has not fulfilled the mentioned liabilities, the Bank executes the Currency Exchange Transaction, opposite to the Customer's concluded SWAP or FORWARD Transaction according to the market currency exchange rate and indemnifies the losses, if such have arisen, from the guarantee amount (Paragraph 21.14), but the profit, if such has arisen, transfers to the Customer's Account with the Bank.

21.16. The Customer is entitled at any moment prior to the date of execution of SWAP or FORWARD Transaction to close his opened SWAP or FORWARD Transaction position by concluding a Currency Exchange Transaction, opposite to the SWAP or FORWARD Transaction, concluded previously.